



# CONTRACT EXTENSION – INVESTMENT ADVISORY SERVICES

City Council Meeting  
October 3, 2017

Deborah Lauchner  
Chief Financial Officer, Finance

# CURRENT

- City entered into a contract with PFM Asset Management (PFM) in 2007 for investment advisory services
- Contract term was five years with five additional option years
- Fees for services are based on the value of assets managed
  - 0.075% on first \$100M of assets
  - 0.06% on assets \$100M to \$300M
  - 0.04% on assets over \$300M

# PROPOSED

- Waive competitive bidding process and extend the contract for one year, until October 8, 2018
- Fees and all other contract terms remain the same
- Estimated cost, based on PFM-managed assets of approximately \$351M is not to exceed \$215,000

# BENEFIT

- Waiver of competitive bidding process and Contract extension allows for City to request proposals and go through a formal selection process prior to establishing a new contract
- Maintains reporting – for monthly and annual accounting purposes, but also for monthly investment reports – through extension

# RECOMMENDATION

- It is recommended by the Chief Financial Officer that the Council, by resolution, authorize a waiver of competitive bidding and approve a fifth amendment to Contract Number 008687 - Investment Advisory Services, with PFM Asset Management LLC, San Francisco, California, extending the term of the contract for one additional year from October 9, 2017 to October 8, 2018, with fees, based on assets managed, not to exceed \$215,000 for the one-year extension.

# QUESTIONS?